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Ireland

Exporter Guide

Annual

2003

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Report Highlights:
Information for U.S. firms interested in exporting food products to Ireland. The report focuses on exports of consumer-oriented foods, beverages and edible fish products

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Includes PSD changes: No
Includes Trade Matrix: No
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Section 1. Market Overview

General Economy

After about ten years as one of the fastest growing economies in the world's industrialized nations, Ireland has experienced a sharp downturn in economic growth since 2001. The international economic environment and the appreciation of the euro against the dollar in the latter half of 2002 is generally blamed for the slow down. However internal pressures such as inflation, a growing budget deficit and a loss of competitiveness have also added to the rapid slow down in GDP growth.

As of fall 2003, the economic change has not led to an increase in unemployment levels. While the unemployment rate has risen slightly in recent months, it remains low by historical standards - currently 4.6 percent. However, of concern to the GOI is that the vast majority of new employment has been in the public sector; private sector employment growth has limped forward at very modest rates.

Inflation has been a problem for the past two years but is now trending downwards toward three percent. In contrast this was just over seven percent in November 2000. The decline is due mainly to external factors especially the appreciation of the euro vis a vis the British pound sterling and the U.S. dollar.

Competitiveness is the current "buzz-word" in economic policy circles and is expected to feature prominently on Ireland's list of priorities for the six-month Irish presidency of the EU that begins January 1, 2004. Spiraling insurance costs, rising wages and the rapid appreciation of the euro against world currencies have combined to lessen Ireland's attractiveness for foreign direct investment.

Since January 1 2000, Ireland is a full member of the "euro-zone" and the Irish Pound was irrevocably fixed at a rate of IP 1.2697 against the euro (1 euro is worth IP 0.787564).

Food and the Economy

The Irish food market is relatively small, with a population of just over 3.9 million and a per capita disposable income of approximately $16,300 in 2002. There has been annual growth in population since 1991. This is mainly because of the booming economy with the resultant return of former emigrants and lower emigration. Over one-third of the population resides in and around the country's capital, Dublin. The next major city is Cork with a population of about 150,000. While Ireland still has a relatively large rural population compared with other developed countries, a rapid growth in urban population (with a decrease in the rural population) has been recorded since the mid 1960's.

Approximately half of the Irish population is aged under 27 years. However, the population structure is changing with lower fertility rates than those in the 1960's and 1970's being recorded in recent years. About 80 percent of Irish families own their own homes. Consumer surveys indicate that about 98 percent of all homes have refrigerators and/or freezers and that about 60 percent have a microwave. Nearly every home has a TV which makes this a useful advertizing medium.

The Irish consumer is demanding more and more quality when shopping for foods. While women still tend to be the dominant buyer in rural populations, men especially in urban areas now share the weekly food purchasing chores. Home preparation of food is still the norm but convenience ready meals especially from the chilled cabinet are becoming more fashionable.

Dining out continues to be popular. Restaurants serving international foods are in abundance. The foods served are usually prepared from fresh food sourced from Ireland or other EU countries. There has been a growing awareness of Ireland's vast "natural" food resource and "Irish" restaurants serving "Irish foods" are now becoming popular. The Irish Food Board (Bord Bia) has introduced a scheme of registering restaurants which use Irish meat products. Irish beef producers have opposed the importation of beef especially from southern American countries and have publically named prominent hotels and restaurants which use these products instead of Irish beef. Tex-mex restaurants are beginning to emerge as an alternative style of dining. Following the surge of interest in dining Chinese, most stores now stock a number of ranges of Chinese style sauces and foods. A similar trend is emerging for Tex-mex items.

Having lived in better economic times, consumers are still prepared to pay for quality and new-to-the-market food products. This has been evident in recent years with the increase in sales of consumer-ready chilled and frozen food products.

Advantages and Challenges facing U.S. Products in Ireland

Advantage	**Challenge**
Retail market very competitive	Ensure products are priced to attract consumers attention
Economic boom gave many consumers higher purchasing power and greater demand for quality	Importers need to be made aware of "new to the market" products
English speaking population	Exporters must ensure that Irish tastes are not confused with English (UK) tastes
U.S. looked on favorably in Ireland	Overcome strict (EU) labeling requirements
Familiarity with U.S. products	Competing EU products offer cheaper alternative
U.S. foods generally considered safe	Overcome consumer fears on GMO and Food Safety

Section II. Exporter Business Tips

The Irish retail sector watches worldwide trends in food consumption and is very aware of new to market ideas. A high proportion of retailers and importers/distributors attend international food shows and often use these as the basis for finding "new" products.

To help promote a product at retail level, importers and retailers need good POS material. This does give a new product an advantage on retailers shelves.

While we share a common language, the Irish and British consumers are very different and exporters should be aware tastes are often different and exporters should consult with their importers to ensure that the product matches the market.

Exporters should be aware that a food safety culture is now very evident in the EU and is growing stronger by the day in Ireland. Consumers are demanding to know the origin and content of the food which they are buying and eating. As a result, importers prefer to deal directly with manufacturers, rather than through brokers, to ensure that quality standards at all stages of production are maintained. The agency which has oversight of all food safety issues in Ireland is the Food Safety Authority of Ireland. Website: http://www.fsai.ie

Ireland follows EU policies regarding labeling and ingredient labeling. More information on these EU requirements can be obtained from the FAS homepage at http://www.fas.usda.gov . The office of the Director of Consumer Affairs regulates general labeling requirements in Ireland and it has a useful document which is located at:
http://www.odca.ie/pdf/labelling2002_leaflet.pdf

The Customs Branch of the Irish Revenue Commissioners is responsible for the clearance of all goods into Ireland. U.S. exporters of food and agricultural products should note that they may require an import license, obtainable from the Irish Department of Agriculture and Food, to import food items into the country. Importers are aware of these requirements. In addition, imports of food products may be subject to EU tariffs and import duties. VAT is payable at point of entry into the state. Once again, exporters can ascertain that information on submission of details of the product to the Revenue Commissioners. (Website: http://www.revenue.ie)

As Ireland is a relatively small market, small shipments can add to the cost of getting products to the consumer. Importers often consolidate shipments from the U.S. or tranship through the UK or Rotterdam, The Netherlands.

Section III. Market Sector Structure and Trends

According to recent surveys two percent of all food outlets now account for about one half of turnover. The total number of retail outlets is about 10,300 with the following structure:

Multiples:	186
Symbols:	1,030 (approx)
Independents	9,100 (approx)
Total	10,300 (approx)

Of the total number, it is estimated that almost 7,700 of these outlets are in towns with populations of greater than 1,000.

The retail trade is dominated by the three main supermarket groups: Tesco Ireland, Dunnes Stores and Superquinn, and the "symbol" groups of independent retailers. The Tesco Ireland group is part of the UK-based Tesco group. Two new supermarket chains - Aldi and Lidl, both German owned, have commenced operations in Ireland over the past four years. These chains have smaller stores located in urban centers throughout the country. However, they have reportedly gained a five percent market share in that short time.

Symbol groups of retailers are independent retailers who source the bulk of their produce from a central buyer and operate their stores using a common trading name, while still maintaining their independence. As a consequence own label products (products sold under a retailers rather than a manufacturers name) have become important.

Retailing units attached to gas stations have become more important in the retailing sector over the past few years. They offer convenience and longer opening hours to consumers who are either in transit or living near the outlets. These outlets are complementing some of the "mom-and-pop" stores (corner shops) at the moment and may in fact take over this aspect of the retail sector in the future. These operations, which are mainly independently owned, source supplies through the symbol groups central buying facilities or cash and carry facilities.

Retailers generally use an importer to handle their imported product requirements. Many of the multiple stores monitor developments in retail markets in other countries and often source new product lines themselves. The actual purchase and logistics of importing is then handed over to known importers/distributors.

A large number of importers, many of them quite small, serve the retail trade. These companies may also be wholesale agents for Irish produced goods and/or be manufacturers themselves. Most importers of non-frozen and chilled foods have in-house distribution networks and warehousing. The main fruit and vegetable importers/distributors have packing facilities for pre-packs, for which there is increasing demand. Importers of wine and beers usually carry an extensive portfolio of products, both from Ireland and other countries, and have distribution arrangements to most parts of the island within the Republic of Ireland.

For more information on the retail sector please refer to the Retail Sector Report for Ireland which can be accessed through the FAS website at http://www.fas.usda.gov

The Irish food industry is strong at marketing and Irish consumers tend to purchase home produced (Irish) food items first and then purchase imported foods on quality and value criteria.

Surveys have indicated that over 80 percent of all housewives currently claim to buy an own label/generic product each month. These products made rapid inroads during the 1980's with over 90 percent penetration. Own label products have a relatively classless appeal and are particularly favored by larger, younger families living in both urban and rural areas.

Section IV. Best High Value Product Prospects

(a) Breakfast cereals
(b) Cookies - in Ireland known as biscuits
(c) Coffee- especially flavored
(d) Snack foods
(e) Pet Food
(f) Fish
(g) Fruit and Vegetables
(h) Soft drinks and fruit juices
(i) Wine and Beers
(j) Sauces and salad dressings other than mayonnaise
(k) Ethnic foods such as TexMex

Section V. Key Contacts and Further Information

Office of Agricultural Affairs
American Embassy
42 Elgin Road
Ballsbridge
Dublin 4
Tel: +353-1-668-7122
Fax: +353-1-668-7423
FAS Homepage: http://www.fas.usda.gov

Import licenses:

Department of Agriculture, Food and Rural Development
Agriculture House
Kildare Street
Dublin 2
Tel: +353-1-607-2000
Fax: +353-1-661-6263

For information on tariffs:

Office of the Revenue Commissioners
Tariff Classification Unit
Government Building
St. Conlon's Road
Nenagh, Co. Tipperary
Tel: +353-67-33-533
Fax: +353-67-32-385

For information on food labeling:

Office of the Director of Consumer Affairs
4 Harcourt Road
Dublin 2
Tel: +353-1-402-5555
Fax: +353-1-402-5501
website: www.odca.ie

General food market information (mainly for Irish exporters) but has an overall view of the Irish market

Bord Bia (Irish Food Board)
Clanwilliam Court
Lr. Mount Street
Dublin 2
Tel: +353-1-668-5155
Fax: +353-1-668-7521
website: www.bordbia.ie

Food Safety Issues:

Food Safety Authority of Ireland
Abbey Court
Lower Abbey Street
Dublin 1
Tel: +353-1-817-1300
Fax: +353-1-817-1301
Website: www.fsai.ie

Appendix I. Statistics

A. KEY TRADE & DEMOGRAPHIC INFORMATION

Agricultural Imports from All Countries($Mil)/U.S. Market Share (%)		3,897/6
Consumer Food Imports from All Countries ($Mil) /U.S. Market Share (%)		2,717/1
Edible Fishery Imports from All Countries ($Mil)/U.S. Market Share (%)		112/1
Total Population (Millions)/Annual Growth Rate (%)		3.92/1.2
Urban Population (Millions)/Annual Growth Rate (%)		1.6/n.a.
Number of Major Metropolitan Areas [1/]		1
Size of the Middle Class (Millions)/Growth Rate (%)		n.a.
Per Capita Gross Domestic Product (US$)		31,223
Unemployment Rate (%)	2002	4.5
Per Capita Food Expenditures (US$)	2002	2,960
Percent of Female Population Employed [2/]	Feb 2003	46.9
Exchange Rate	US$ = Eur	0.9456

All data relate to 2002 unless otherwise specified
1/ Centers with population over 1,000,000
2/ Percent against total number of women (15 years old or above)
Source: Various GOI statistical releases.

B. Consumer Food & Edible Fisheries Products

Ireland Imports (In Millions of Dollars)	Imports from the World 2000	2001	2002	Imports from the U.S. 2000	2001	2002	U.S Market Share 2000	2001	2002
CONSUMER-ORIENTED AGRICULTURAL TOTAL	2,181	2,439	2,717	32	35	31	1	1	1
Snack Foods (Excl. Nuts)	299	294	323	1	1	1	0	0	0
Breakfast Cereals & Pancake Mix	85	94	70	1	1	1	0	0	0
Red Meats, Fresh/Chilled/Frozen	81	109	103	1	1	1	0	0	0
Red Meats, Prepared/Preserved	102	133	152	0	0	0	0	0	0
Poultry Meat	90	104	103	0	0	0	0	0	0
Dairy Products (Excl. Cheese)	185	156	168	1	1	1	0	1	0
Cheese	74	79	86	1	1	1	0	0	0
Eggs & Products	8	12	14	1	1	1	5	6	5
Fresh Fruit	128	144	167	2	2	2	2	1	1
Fresh Vegetables	86	105	125	1	1	1	0	0	0
Processed Fruit & Vegetables	175	187	208	2	3	3	1	1	2
Fruit & Vegetable Juices	60	60	75	1	1	1	2	2	1
Tree Nuts	6	6	6	1	1	1	10	8	7
Wine & Beer	190	310	399	18	18	18	10	6	4
Nursery Products & Cut Flowers	48	52	61	1	1	1	0	0	0
Pet Foods (Dog & Cat Food)	37	29	38	1	1	1	0	0	0
Other Consumer-Oriented Products	527	565	620	6	8	6	1	1	1
FISH & SEAFOOD PRODUCTS	88	104	112	1	1	1	1	1	1
Salmon	9	10	10	1	1	1	6	6	8
Surimi	1	1	1	0	0	0	0	0	0
Crustaceans	27	26	22	1	1	1	1	0	0
Groundfish & Flatfish	10	10	18	0	0	0	0	0	0
Molluscs	1	1	2	1	1	1	0	0	0
Other Fishery Products	40	56	60	1	1	1	0	0	0
AGRICULTURAL PRODUCTS TOTAL	3,333	3,574	3,897	307	269	250	9	8	6
AGRICULTURAL, FISH & FORESTRY TOTAL	3,898	4,143	4,490	346	303	282	9	7	6

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

C. Top 15 Suppliers of Consumer Foods and Edible Fisheries Products

Ireland - Top 15 Suppliers

CONSUMER-ORIENTED AGRICULTURAL TOTAL ($1,000)

	2000	2001	2002
United Kingdom	1313587	1398179	1517083
Netherlands	209637	216019	239860
France	129663	150196	169043
Germany	43388	75454	153599
Spain	67733	68475	83239
Belgium	65822	69075	76901
Free Zones	18267	73514	73748
Italy	41903	47541	46545
Australia	24398	32261	39616
Brazil	21513	28970	35615
Chile	22290	27242	33459
United States	32079	34656	31329
South Africa	18710	24212	25638
Denmark	31116	35057	25383
Costa Rica	3161	2005	22761
Other	137665	155922	143159
World	2180986	2438821	2717023

FISH & SEAFOOD PRODUCTS ($1,000)

	2000	2001	2002
United Kingdom	67323	79941	69465
Mauritania	0	2992	10890
Denmark	8742	9061	6932
Netherlands	3625	2764	6376
Germany	304	1475	4029
Nauru	0	0	2347
Free Zones	2124	1124	1544
Iceland	187	1241	1326
Canada	682	1034	1306
United States	793	633	864
Thailand	781	953	813
Indonesia	1022	406	691
Maldive Islands	87	331	659
France	314	417	610
Bangladesh	0	0	505
Other	2075	1930	3217
World	88060	104304	111568

Source: United Nations Statistics Division